

## Notes from ekm1 and other commenters on recent Zerohedge articles

*Mostly from October 2014 – first& last article from August 2014*

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### De-Dollarization Accelerates - China/Russia Complete Currency Swap Agreement

#### Renfield

Is the growth of these swap agreements accelerating? Or am I just noticing it more, but it's still just a handful here and there to lay a trading foundation? I notice that one of Russia & China's agreements did not include currency at all – the terms reported were so much oil for so much equipment, or something like that. Was that a barter agreement? Or is that sort of thing common? I have so many questions and nothing in my experience to answer them, but this is fascinating to watch.

#### ekm1

We are about to see the overthrow of Bank Lobby rule and their own president Obama. Neocons of both parties will not tolerate this. Tectonic changes in Washington DC are inevitable.

#### ekm1

America has a choice: Bank lobby and dollar trashing or Neocons and strong dollar. Make a pick America, can't have both, can't have anybody else, no other choices. Both sides hate each other to death (and it may be LITERALLY to death)

#### Renfield

ekm, how would the strong dollar option work? 20% rates again? at this point would that even make a difference?

#### ekm1

No. This is not a matter of debt, this is a matter of excess reserves, of too much dollars

#### ekm1

People confuse Debt with Reserve. Debt is self destructive. Default and gone. Debt is no problem. The problem is Reserves. You see, Fed and Commercial banks create USD reserves, but only the Fed and Gov can EXTINGUISH them. Since dollar de-link in early 1970s here's USD dollar reserves created:

- \$19 trillion in pensions
- \$11 trillion in deposits
- \$7 trillion in the world
- \$4 trillion created by QE

That is officially about \$40 trillion. Then there is another \$20-30 trillion in offshore accounts in about 80 locations in the world, unaccounted for.

<http://www.forbes.com/sites/frederickallen/2012/07/23/super-rich-hide-21...>

That makes it \$60-70 trillion sloshing around which can be extinguished only by the Fed or Government. Now think: World GDP is about \$80 trillion which is INSTANTLY claimed by those USD reserves, since most of world output, trade is denominated in USD

Solution: Extinguish \$10-20 trillion. Not via bail-ins since it will literally be world war, but by bank shutdowns and closures, like offshore banks etc. There will be some minimal bail-in also. Otherwise, world will simply drop USD, because there is too much of it.

Conclusion: There is too much dollars and there are too many insolvent oligarchs who hold only financial assets who will become poor very soon.

**Renfield**

Thanks ekm. I am going to have to think over the repercussions of this. I think you're saying (if I understand) that they are going to 'disappear' roughly 15% of the reserves that someone considers their asset? (wonder who those 'folks' would be) I thought it would be pretty much bankers staying the course they are on, but this second approach sounds deflationary to me. Much appreciation for this detail you wrote.

**ekm1**

Yes, deflationary. Issue is who's assets will go through deflation. Neocons win, bankers lose. Military hates bank lobby now. They were back stabbed. Whoever has military's backing wins. That is what history says.

**Renfield**

The military would at least get paid that way. Frankly, being at war will not only pay the military (so at least someone's employed) but provide plausible cover for the trade war stuff, bank closures, etc. It would not seem like it was a race to save the currency then, but could be blamed entirely on politics. They would hope with a deflationary event, faith in the fiat might not be lost. It's interesting to think about, thanks for these comments.

**piratepiet**

Why would you need to extinguish reserves? Can you not simply let all these dollars work through the system, by the inflation this could cause the reduction in wealth by dollar holders would be more or less evenly spread ? ( you do not have to target specific reserves to extinguish, however you do that ).

**ekm1**

The spread is exactly the issue. And no, it won't be evenly spread since concentration is not evenly spread. here are those who gained USD reserves by producing something real, like Bill Gates or Koch Brothers. And there are those who just got them direct from the Fed. Bank lobby just got \$4 trillion out of nothing, thus claiming saudi oil instantly. Oligarchs do not like that stuff, hence war and assassinations. Shark against shark.

**okyoureabeast**

Ekm1, do you think the fed would force the TBTF banks to buy those toxic MBS securities to suck up the excess liquidity? If not other things on their balance sheets?

**ekm1**

Federal Reserve is nothing. It has zero power. FOMC is bunch of academics who get paid to brag on TV and to collect speaking fees. The issue is who controls the Federal Reserve, which lobby controls it in order to print money for itself. The issue is controlling money creating computers at NY Fed. People with guns who are ready to use them, ultimately win. I do not think any normal solution of draining dollars works any longer. Bear Stearns, Lehman drained reserves because George W Bush understood the game and ordered Lehman dead, as a good neocon that he is. Bank lobby survived when Obama came to power and still ruling, but not for long. We'll have a TRIPLE LEHMAN soon to extinguish \$10+ trillions or world will simply drop USD totally. World can handle wars. World can never ever accept trillions of USD coming out of nothing, even at gun point.

**4g speed**

one word ekm1 -----collateral--

**ekm1**

real.....collateral

**itchy166**

Exactly ekm. Why would anyone put real collateral up against play money?

**Quus Ant**

Awesome analysis ekm. I'm going to read it through thoroughly in a minute. I've had a few so I'm in second gear, but my question is this: are you taking into consideration actions/strategies of other world players? Does the US vaporizing 10% change the trajectory? The trend is away from the dollar and I believe the scenario you lay out would accelerate that process as the arbitrary, reactionary, schizophrenic nature of US moneychangers would be- even more- apparent and imminent. The ship has sailed. I believe the only thing the money changers can do is what they are doing. Closing all the exits. Cyprus. Vatican Bank. Zurich. Leaving a few outlets open like Belgium to relieve pressure. The game has been frozen-scoreboard unplugged. The game is lost. No matter what the game is lost. Even if we win we will have sacrificed everything of value- anything that even mattered- for a few more moments at the top. Thanks for your comments. and giving me something to think about.

**ekm1**

In my view, the moneychangers are about to be removed from control of the Fed. Neocons and military will take over the Fed, as they did until early 90s. World will accept using USD, if US military goes back to becoming interventionists again, to impose some rule on world trade, world trade routes and world natural resource owners.

**Quus Ant**

The world isn't going to accept it. I know this because they aren't accepting it. They are banding together, closing ranks to best cover their asses for the fallout. BRICS bank? BRICS development fund? Currency swaps? People aren't going to follow without benefit- unless they're under your boot. Which is the game the US is playing. A boot smashing a human face. Forever. It didn't work for the Nazis and it won't work for America, but it might end in the same place. :)

**ekm1**

World is not accepting fake dollars like QE which is basically financial aggression. USA is not same as NAZI. USA has never claimed anybody's else territory from the moment it became a superpower.

**Quus Ant**

So, yeah. After re-rereading I believe your analysis suffers from a preoccupation with American strategy and goals. The US still has a few cards to play, but This time IS different. After WWII America was the last man standing. Presiding over a Europe reduced to rubble, a weakened, bloodied, but defiant Russia, and an undeveloped East Asia. The End of the Cold War, again, left America top dog. Free to impose its will. The conditions for hegemony no longer exist. Europe is rebuilt. Russia is not only defiant, but rich. Southeast Asia is the world's economic powerhouse. And, worst of all, they have more to gain by cooperation than bickering, sanctions and war. The window for permanent American dominance is closing and the BRICS will slam it shut with aplomb. Zbigniew had a dream. Many old men had grand dreams. I hear about them all the time down at the coffee shop. Peace.

**ekm1**

BRICs unity is a mirage. China is a mirage. What is happening is just Obama hating USA so much that tried to harm the military and withdrew from world stage. Not for long. Neocons will overpower him.

**blazinrabbit**

It's not going to be that easy. The bankers have their own private armies, and I would guess, access to a nuke or two.

**ekm1**

That's why I say assassinations and dead executives lying on streets may occur soon.

**Atomizer**

Nice job Ekm1. The bounty is coming after them. They feel the true fear on being on the wrong side of the fence. The Clintons misguided them. They assured everyone would flock in droves under modified ideology transformation. They underestimated the public resistance. Cannot say anymore, hope you understand my riddled post.

**kito**

No dollars no military. Very soon the military will be a shell of itself as the funding dries up. Bases will be closed worldwide, pentagon contractor employees will be unemployed. Nobody needs the backing of the military.

**ekm1**

Since when it's so difficult to type digits into computers? That's what "funding" means nowadays.

**MarkD**

I agree. Financials fund the MIC..... not the other way around. War party get their power from the money creators.

**Simplifiedfrisbee**

Ekm, it is clear you do not want the bloody dollar to destruct. So be it. It is thus, you believe deflation is a solution to an inflationary problem. The financial architects will never allow deflation for the good of the whole. They are soulless autocrats, not compassionate helpers. It is obvious they cornered deflation and favored inflation. They made their decision several years ago. We will never see deflation until the USD is destroyed. Lastly, the military is a product of the financial construct. To say there is a separation of ideals between the produce created by money and its labour is incredulous to me. Your mind seems to be running to make sense of a satanic and destructive system. Little sense can be made in a crazy system.

**ekm1**

No, it's the opposite. Financial Construct is a product of Military Power. One who has the guns rules. And yes, most of the world would prefer american hegemony, pax-americana, but not abusing that power by printing \$4trillion USD

**Simplifiedfrisbee**

Guns do not create rules nor do they create laws. They are either a means to destroy them or defend them. Weapons take men of great responsibility to wield them. It is men of all nations and of all colors who possess moral integrity, enlightenment, and a value of Love, not only to God, but also to their neighbor who hold the power to create jurisdiction that results in the foundation on which civility can be constructed upon.

Finicial weapons are what ignite a race to protect them. A nuclear bomb would have the same chance as a submarine to be built by the tribes who live in Amazonia. Yes, finance contributed to the weaponization of military. Afterall, that which held value needed protection. It is a logical progression of power. If the gun were the basis of value then the gun would be the basis of trade. Fuck you pay me or get shot or fuck you work for me or get shot.

**ekm1**

Laws and rules cannot be implemented without threat to use guns

### **Simplifiedfrisbee**

Repercussions are what implement the rule of the land. I can not disagree with you as guns can be a means to subjugate a society but that will by no manner stimulate growth to any civilization. The threat is key indeed. But the actual force is degenerative and regressive by nature. Newton's third law is a valid reference of what to expect in a society which deems to "live by the gun." They die by the gun. You know where the US is headed.

### **kito**

ekm your military lobby will be nothing when it starves.....no matter whether it comes by deflation or hyperinflation, the funding to the military will dry up.....

### **ekm1**

It is as simple as controlling computers where money is created. No need for bank lobby

### **lasvegaspersona**

ekm, one day those dollars will just go ...poof... The world's bankers know how many there are and they know they will never be redeemed for real wealth. They are preparing for that day. De-dollarization is that preparation. Look for gold to be the next reserve asset and things will start to make sense.

### **ekm1**

If that continues, then look for dead executives lying down on streets

### **Seasmoke**

What if you/me hate BOTH fucking sides ????......or better question, which side is for GOLD IS MONEY ????

### **ekm1**

That applies to a financial system. But you can't buy a coffee with gold coins

### **McCormick No. 9**

OK ekm1, I've read your entire thread. I think you are sincere, but what you propose will never happen....You may argue that QE is not working and we now need to reduce the number of dollars floating around in order to preserve reserve currency status. But this will only collapse the economy. Removing 20 trillion will make the whole scam go up in smoke. There are so many holes in the balloon that nothing keeps it inflated except more QE hot air. You're right about a couple of things, but only accidentally, for the wrong reasons. Yes, the dollar will dominate, and neocon-ish ideology will dominate. The dollar will become the global currency. This will be a victory for only the darkest forces. The dollar will dominate because:

US led economic and military destabilization will sap the ability of BRICS nations to use their new currency union for economic growth. Look for escalation in Ukraine, more violence in Pakistan/Kashmir, ebola spreading in S-Africa, banks hit jobs on Brazil, military containment and simultaneous provocation on China's periphery. All of this activity to contain BRICS will sap US economic strength. Guns are expensive. Wars are the primary cause of national bankruptcy. QE will continue to infinity, but QE/inflation doesn't matter (in the short term) as long as the dollar is the reserve currency.

All of this will only mean the US will increase its cooperation with Israel, the fountainhead of neo-con ideology. Entanglement with Israel will increase, even as Israel becomes ever-more hated and loathed by US leaders. The above destabilization cannot be carried out without Israeli leadership. The dollar has been hijacked by Rothschild/Israeli forces, who need US economic strength to back up its imperial aggression

on the middle east. The US needs Israel to help it destabilize and economically hamstring the rest of the globe. It is a Bonnie and Clyde partnership destined for tragedy.

Israel, however, will lose all of its drive once it actually annexes the West Bank and siezes control of the Temple Mount. These two things are Israel's only true objectives. At this point, the entire world will turn against Israel and the banker hegemony imposed upon the planet by Israel through the dollar. At this point, the economy will collapse. Israel, unable to defend herself and abandoned by the US, will be over-run and cease to exist. The deflationary collapse will be utter and complete. The planet will descend into anarchy and chaos. It will be a time of trouble such as there never was.

**ekm1**

Brics unit is a mirage. China is a mirage without food security and they will never have food security. US Military is like city police. Constant patrolling of streets needed, otherwise gangs fill the void. US military needed, otherwise gangs like Putin, Jinping and Khamenei fill the void. Neocons are coming back. They will overpower bank lobby soon.

**ekm1**

Rothchilds are gone. Rothchilds were strong when British Navy was strong. Nobody cares about Rothchilds now. Now it's about Warren Buffett, Bill Gates, Koch Brothers and other oligarchs. These ones do not care about old ones, like Rothchilds and Rockefellers. These new brand of oligarchs do not seem to get along and warring each other, particularly now that chinese and russian oligarchs are taking away pieces of the world pie. Civil war among western oligarchs continues. Blood will be shed.

**Jack Burton**

I've said many times, the US military acts to enforce dollar hegemony which is the foundation of American power. I see acts like this as a threat Washington DC will have to respond to with action. Since the only real actions Washington CAN take is military, I see the Ukraine crisis being pushed to the brink of nuclear all out war. The coming Kiev/Washington DC offensive to take Donetsk with mass rocket, artillery and missile build ups for mass murder on a grand scale, this is being planned to force Russia to act to protect the 500,000 people or more still in Donestsk. Kiev is about to smother the city in artillery and rocket fire. The idea is to kill so many people that Russia will react to defend the city or open a road to the city from the east. Either way, NATO and Kiev want Russia to act to enable NATO to move into Ukraine to defend Nazi Kiev.

All in all, Washington plans to force a major war onto Europe, if killing thousands is required, Nuland and Kiev are prepared to attack the city just like Nuland's israeli homeland has attacked Gaza. In fact, Gaza II is in the making. Nuland and her Washington Israeli cabal have big plans for war. We taxpayers in America will bear the cost, as always. Nuland and her Israeli Neocons will stay safe in Washington. And keep your eye on McCain, he will go ape shit when Russia does a missile strike on Kiev's artillery postions, the most likely reaction by Russia to mass bombardments that are only days, or even hours away.

<http://www.zerohedge.com/news/2014-08-09/de-dollarization-accelerates-chinarussia-complete-currency-swap-agreement>

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## **A Look Inside The Secret Deal With Saudi Arabia That Unleashed The Syrian Bombing**

**ekm1**

Pentagon + Saudi alliance is winning against .....Obama + Bank lobby + Iran alliance

DXY is ripping higher. Dollar is getting stronger. Quite possible bankers have surrendered fearing saudi executions of them. Triple Lehman seems to be under way, if my systemic analysis is correct

**ekm1**

In practice now, USA and Saudi air force control 70% of Syria air space. Assad can no longer cross there now. Saudis have practically invaded 70% of Syria that Assad does not control. Saudis winning (and Pentagon). Iran losing (and bank lobby)

### **Divided States**

I don't fuckin care whose winning? I just want to know when some heads start rolling OR when the financial system collapse. before December 31 2014???

**ekm1**

It will implode, centrally commanded implosion. When? It should have already happened. World is abandoning USD

**ekm1**

9/11 was a Wahabi plan but ABSOLUTELY NOT a plan from Saudi state. USA is defender of Saudi in exchange for energy. If USA destroyed, Iran would simply attack Saudi Arabia. The Saudi state has absolute nothing to do with 9/11. Wahabi theology, yes.

### **DeadFred**

Triple Lehman?

**ekm1**

yes, sir; It was to occur in Oct 2011 when MFG was manually imploded but central command changed its mind. Again planned out to occur in May 2013 when Fed was unwinding QE and rates rose, but still central command changed the mind in Jan 2014, rates collapsed since Fed expanded QE drastically. Now world has accelerated USD avoidance. System needs at minimum \$10 trillion to be extinguished out of \$60 trillion in circulation right now.

### **Divided States**

Yet USD keeps rising of late?? taking down the commodity complex?? There seems to be fishy about the recent USD strength, that's for sure...but I heard this song from you for a while now....I will give you till Dec 31 2014 to vindicate yourself.

**ekm1**

LOL. I'm no prophet. It should have happened already. World has accelerated USD dumping

### **Renfield**

ekm, You are one of the few voices of sanity left here. I for one think it's all the more important to hear your views, now that currency change is already underway. It is difficult enough to perceive the truth of what is going on these days, what with the growing chaos of the US being replaced (by what or whom? we don't know for sure yet but I bet someone in the world does). It is even more difficult when the few readers such as yourself, who have a large perspective on global finance, feel 'silenced' by the dogpound here. You are one of the few who sees clearly enough what is going on, to talk about it. (But I cannot believe this isn't obvious to anyone who has open eyes, and that more people are not discussing what will happen with our currency as this West-East power shift continues). Maybe it's b/c so many here are fixated on the 'stock market', which is now just another propaganda tool, with about as much truth in it as the MSM. I don't know how close you are to 'ground level' - probably not very much - but all that you have said about the USD and the slowly occurring shift in power resonates in my view, which is fixed firmly on the ground level here.

You seem (to me) to have "faith" in the military, which I don't really share. (Since wars must be financed, I am not sure who will finance the Anglo-American banks who are relying on the same currency that is collapsing, NOT to collapse.) Your interpretations may be open to debate, but they are always plausible and thought-provoking.

**ekm1**

Military wants to get paid in crude oil to run warships and F-16s and goods and services to feed 470k soldiers. Funding is done by their warships with Saudis holding up Petrodollar, not by banks. Banks simply type up digits on computers now, commonly called 'funding'.

**Renfield**

Well, that makes sense. Fits with the (for lack of a better term) barter contracts recently between the Russians & Chinese, and Russians & Iranians. To be honest, to try to figure out the truth of things now I try to look at what the MSM is NOT talking about, one of which things is these various trade deals being set up around the world. MSM is all about wars and the stock market. If such military is American, however, THEY aren't getting paid in oil etc., unless you're saying the Saudis are paying them. In which case, what about all those Saudi visits to China recently? They'll cosy up with China, AND pay the American military in real goods? How can that be?

**ekm1**

Because bank lobby convinced everybody to ship factories to China early 90s after soviet union collapsed. Now China is the factory of the world, most of energy has to go there to produce output which drastically down by the way. So, controlling energy going to China is absolutely crucial for the survival of Petrodollar, unless those factories are brought back to the West, which would take 10 years or more.

**Renfield**

So putting a couple of things together here: Would it be fair to say that, according to what you have presented, the Saudis are the last leg of the petrodollar? All the Eurasian Alliance would have to do, in that case, is swing the Saudis. How difficult could it be for China to promise them various protections, to do that? (Not sure what preserving the petrodollar status quo would do for them, if China made any promises to them that seemed a viable alternative. Each year that passes must be making that less attractive, but what do I know.)

I guess if the Saudis stay loyal, then I can certainly see your point. We're just speculating here, and as you say, the freedom to do so is refreshing.

**ekm1**

Correct. They fear Iran to death. If no US Military protection, Iran will attack them, period. Pentagon + Saudi alliance since 1973 is a win-win for all. Both survive if they stay allied. Putin and Khamenei already have an alliance.

**ekm1**

(responding to being trashed by others) We are just analysing. We can be correct or incorrect. Nobody cares what I think, or what you think or anybody else thinks. It's a forum to exchange thoughts...and imagination. Testing theories, proving them right or wrong.

**ekm1**

Sir. I cannot change the world. People will always choose morons to lead them. This will never change. Crowds are stupid by definition. This will never change. I can only observe, but can't change anything.

**post turtle saver**

people here are going to be stunned over the next six months when they see just how strong the petrodollar is... the Fed is going to have to raise rates just to take some heat out of the US economy once the election cycle is over in November...the real news behind all this is the utter smackdown the guys at ICE just got... the Scotland independence referendum spooked the hell out of them... an independent Scotland would have thrown a huge monkey wrench into their round-trip trading shennanigans with Brent peak



manipulation... look at who's been told to come to Jesus lately and you'll see the pattern... BP, Deutsche Bank, Shell, Total, Societe General, Morgan Stanley etc. the wizard behind the curtain for all this is the usual suspect... Goldman Sachs... they basically ran the show when it came to controlling supply chain investment against Brent peak which ultimately inflated oil & gas prices world wide... I lay all this at the feet of Enron, who showed anyone greedy enough to notice what "peak oil" really meant... every chicken little on the planet claiming the sky was going to fall when what they're really seeing is a false ceiling that moves up and down based on the whims of the price manipulators... seriously, you can't make this shit up... anyone who thinks the price of oil is a free-floating market indicator is delusional

## **Renfield**

<<the Fed is going to have to raise rates just to take some heat out of the US economy once the election cycle is over in November...>> What level would you think they would raise rates to? (Please show your work...)

This argument seems logical but I have difficulty picturing it in practice. Don't think they can afford to raise rates at all, but always interested in another perspective, which is why I ask.

## **post turtle saver**

my WAG is anywhere between 50 and 100 points, and definitely post-election... expect the stock market to retract when this happens

## **Down Vote**

commenters like ekm can cut closer to the bone than the 'journalists'. the attack is so quick and sharp that it may take a moment for you to realize you're bleeding.

## **Renfield**

Well, it always kind of makes me roll my eyes when someone gives me a stock market number to indicate that things are not that bad...WITHOUT doing the reasoning, as to what that stock number is actually saying, IF it is reality. (Kinda like with the CPI and unemployment reports.)

IF THE BOND/STOCK MARKET IS REALITY...then productivity on this continent has never been higher.

IF THE BOND/STOCK MARKET IS REALITY...then the highest bid stocks are probably in general good producing assets to own, real 'blue chips'.

IF THE BOND/STOCK MARKET IS REALITY...then gas prices dropping is going to mean, MORE people using fuel and demand RISING (since fuel is a necessity)...NOT lower demand.

IF THE BOND/STOCK MARKET IS REALITY...then retail is an active and growing participant, and 'money-on-the-sidelines' is not a concern.

IF THE BOND/STOCK MARKET IS REALITY...then interest rates have nowhere to go but up! And, like, anytime soon...like tomorrow, maybe.

IF THE BOND/STOCK MARKET IS REALITY...then the already large and rapidly growing unrecorded market ('black' market) in the Western world, is irrelevant since it is not syphoning real productivity away from official GDP.

And so on. I see NO 'reality' backing these numbers, or any other government- or bank-generated numbers, but I DO see a failing system all around me if I ignore those numbers and just open my damn eyes. But then, I'm a serf and a peasant, who of course is the last to get the memo...so what do I know? Anyhow, thanx for the patience with my rants on this thread. I haven't commented in quite some time and I guess I just got drawn into the talk! I love the Hedge for the conversations here, and when they get heated, I'm happy if it means more information.

## **Everybodys All**

The battle in the dollar is over the reserve currency status imho. The bank lobby could care less it would appear if it is lost. In fact to me it looks like they are looking forward to seeing it gone. The point ekm1 makes is that the military does not see this as a good outcome for the US as they would lose major influence globally. William Dudley of the Federal Reserve just yesterday stated he thinks the recent strong dollar is prohibiting growth in the US. The Fed either backs away from the weakening of the dollar by their prior QE policies which has lead to the potential if not real loss of our reserve currency status or they continue with QE and insure our demise. Right now they are backing away which is leading to dollar strength. Therein lies the battle lines.

**DeadFred**

A page out of the gold manipulation playbook is to buy gradually so you have the positions to sell in a bunch so stops will aid your efforts. If Russia and China wish to damage the dollar they will be buying into this surge and use their positions to break support as the overbought dollar corrects. A good 'event' would help with the turnaround but Nuland has demonstrated that the Russians can decrypt the US phone calls so any false flag 'ISIS' attacks or similar events will be known. The dollar is at yet another resistance point currently (I know it's blown through a dozen or so already on its rampage), the charts show that when it finally turns the trip down can be faster than the ramp up. All this is based on my assumption that I can peer into the minds of psychopathic politicians so it's likely no more than an entertaining guess. It should happen next month so don't wait until the end of year. If it doesn't happen before Thanksgiving I'll be back to the paranoid delusional drawing board. Good times.

**ekm**

Precisely. We are just analysing

**mkkby**

China and Russia cannot manipulate gold by trading physical. Paper is where that is done. It is leveraged 1000x or more, so you are just fighting a hurricane force wind. You don't seem to understand that. EKM, you seem to be assuming the dollar reserve status is only based on the old petro dollar arrangement. If that were true, losing Saudi cooperation would be instant disaster, as you predict. However, I believe that is too simplistic. Dollar strength WAS INITIALLY based on oil backing. After a while it was based on the universal acceptance. Basically, it is a habit or force of billions of minds. Much like gold used to be thought of. Remember, in 1913 federal reserve notes were backed by gold SO THAT PEOPLE WOULD BE COMFORTABLE ACCEPTING THE CHANGE. By 1933 that was no longer needed and gold backing was withdrawn. It only took 20 years for FRNs to become universally accepted instead of gold.

**DeadFred**

I get Lehman but don't know how to triple it. Third time? Three at once? three times the bang?

**ekm1**

Yes, 3 times as big

**GetZeeGold**

The funding of a young Barack Obama's education by the Saudis seems to be paying off in spades. Valerie Jerrett's father set all that crap up.....all those years ago. Seek and ye shall find.

**Dr. Engali**

Please, the MIC and the bankers are all on the same page when it comes to the preservation of the petro-dollar. Hence we have continuous wars in order to expand the petro-dollars reach. We have a "strong" dollar right now because the job of printing has fallen on Europe's central bank. Make no mistake, all the western central banks are working in unison, and they will all take their turns printing.

**ekm1**

A strong dollar is a margin call on derivatives. So, no. Bank lobby this time wants trashing of USD

**Dr. Engali**

No, the strong dollar is a result of a Euro/USD carry trade. With a dollar surging against the Euro and U.S treasuries yielding a full 1.5% more than the German Bund, this becomes an attractive trade. Which, BTW is why the U.S needs more war. Moar war = bigger deficits and bigger deficits = more "quality" collateral.

**ekm1**

Which means less dollars circulating, which means dollar shortage to pay short term liabilities of derivatives

**Dr. Engali**

No, it doesn't. It means even more leverage in the system.

**Divided States**

Well leverage cannot go exponential...it will have to break one day....hopefully soon...its gone on for way too long already.

**ekm1**

If price of beef goes higher, it means that there is less beef available. If price of USD goes higher in other currencies, it means that there are less USDs available floating around.

**thunderchief**

The Saudi's will have no need for the petro dollar when they have Europe.

**ekm1**

Europe has no active military

<http://www.zerohedge.com/news/2014-09-25/look-inside-secret-deal-saudi-arabia-unleashed-syrian-bombing>

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## **The \$70 Trillion Problem Keeping Jamie Dimon Up At Night**

**strannick**

"600 Trillion in Interest Rate Swaps". Its ALL about these interest rate swaps. These are the Primary dealer banks swapping variable rate interest rates against fixed interest rates. This is the hydraulic hammer that keeps a lid on interest rates for the moment, and are similar in nature to the gargantuan naked shorts that banks sell to keep a lid on the gold price. Since there is no way in hell they will ever pay, or deliver, they just pile it on to infinity (they are 600 trillion dollars on the way to infinity already)

These Primary Dealer Banks have 600 trillion bet that interest rates will go lower. And it is the magnitude of these interest rate swaps that pushes interest rates lower, right up until the day it doesnt. Nothing else is pushing interest rates lower, and interest rates certainly are not at alltime lows because of the credit worthiness of the US Treasury, whose debt/GDP has never been higher. Be very scared, and load the boat with gold (and find a GPS corordinate for it when you dump it in the lake)

**ekm1**

Interest Rate Swaps are part of shadow banking, but anyway. What Tylers are talking about is what I call USD RESERVE GLUT. There are about \$70 trillion sloshing around the world constantly claiming \$80 trllion annual world GDP. That's why world is avoiding USD, just too, too, too, too many claims on world

real assets and output. The existence of shadow banking at \$70 trillion, means that economy is not producing nearly enough output, hence now money is chasing money, not output.

When I use the term Shadow Banking Weimarization, it is precisely about this \$70 trillion, money chasing down money, using oil, iron, ore, aluminum, grains, soybeans etc as collateral. This is the Modern Weimar. Economy is dying and will continue to die unless US Congress orders the Fed extinguish at least \$10 trillion, if not \$20 trillion, otherwise world will continue to avoid USD thus going local, death of globalization. Unlike Weimar times, people cannot burn paper money now. Only Fed or US Gov can electronically extinguish USD and they will, otherwise economic misery

### **Bangalore Equity Trader**

Don't be ridiculous. You can't just "EXTINGUISH" USD's. It must be taken first, from some one or some thing, then extinguished.

### **holdbuysell**

EKM1...BE makes a good point. How do you extinguish said digital dollars? You speak of expropriating trillions from some unlucky oligarchs. Is that the path your thesis suggests?

### **ekm1**

Yes. Unplug offshore computers. There are \$20 trillion minimum as digits in computers in offshore banking centers. Bail-in idea itself ...is basically extinguishing of dollars by government order, just mark down digits on computers for everybody.

### **angel\_of\_joy**

You extinguish money every time you CANCEL DEBT (also known as DEFAULT).

### **ekm1**

Yes. Unplug computers. Shut down offshore banks. Bank collapses. Eventually all comes down to typing up or down digits on computers. So, yes, anything can be done. There are no \$70 trillion in paper cash to take away from people. Just change numbers on computers.

### **holdbuysell**

If you've considered such a thesis, then those in harm's way also sense this possibility, which would suggest they have contingency plans or protection in some form. Trillions held by oligarchs is not going quietly down a drain. It will look like a Horcrux being destroyed.

### **ekm1**

That is what happened with Lehman, Bear Stearns, MF Global. Elite always wars against elite for control of assets. That's why I always laugh at "world government" or IMF or any world institutions. It is humanly IMPOSSIBLE to have world institution that actually function. There is no escape. The only contingency plan is controlling the government, like Buffett controlling Obama, Senate Banking Committee and House Finance Committee. Not all of them can, only few can. The rest? Sacrificial lambs, just like Lehman, Bear Stearns and MF Global and more to come probably Barclays, Merrill Lynch, etc etc etc. There is no escape.

### **holdbuysell**

Who're the next sacrificial lambs? My take is Citi and Deutsche Bank, maybe BofAML.

### **ekm1**

Saudis own part of Citi. I'd exclude Citi, or maybe partial restructuring keeping Saudi money safe. Barclays, part of Deutsche, Bofaml...etc

## **holdbuysell**

Understood. The consolidation in banking continues. Running this trend and though experiment to its end, isn't the logical end to this a single bank that controls all, which in turn is controlled by the shadows?

**ekm1**

There is no such thing as central control of the globe. It is humanly impossible.

## **NoDebt**

Won't stop them from trying.

**ekm1**

Sure. But humans can never ever agree on anything. Huge egos like oligarchs can never become humble enough to cooperate, particularly coming from different languages and cultures. That is how humans function.

## **new game**

Upposing force thingy hold another temporary balance. but wouldn't war break out if say russia or china comes out short and pissed?

**ekm1**

Neither Russia nor China have such capabilities of getting engaged worldwide military in 2 or 3 wars simultaneously. Only USA does

## **StychoKiller**

It only takes ONE nuclear warhead to ruin yer day!

## **layman\_please**

"Elite always wars against elite for control of assets." It's strange that i can recall one trifling event about 100 years ago where fierce competitors warburgs, rockefellers, rothschilds, morgans, who, by mere happenstance, controlled meager one forth of the world's wealth back then, colluded to create a banking cartel in partnership with US government which now controls 60% of the world economy through the manipulation of the world reserve currency. yeah yeah, there are no conspiracies and no constant centralisation of power, especially throughout the last century!?! in which fucking alternative universe do you live?

**ekm1**

They never did. Rothchilds made deals with the Queen and British Navy. It was british navy defending their assets in return for booty. Gold was money at the time. Rothchilds are now dead. Nobody cares about them. British navy is not what it used to be.

## **holdbuysell**

"Rothchilds are now dead." Wait! What?! Then where did that purported ~180K tons of mined gold go?

## **holdbuysell**

While on the digital money topic. How do you view the safety (absolute and relative) of the following:

-TBTF banks

-Regional banks

-Local banks

-Credit unions

-Bitcoin/digital currencies

**ekm1**

TBTF = zero safety. Regional banks, credit unions = mostly safe, but check their balance sheet. They do not have White House clearance to lie on balance sheets like TBTF. Bitcoin/digital currencies = Pyramid Schemes.

**holdbuysell**

Thx. Aren't ALL banks/credit unions subject to digital zeroing actions (bail-ins would be contingent on balance sheet strength as you point out), as they are part of the same system?

**ekm1**

Yes, but it depends how much leveraged they are. Hence check their balance sheets before you put your money into, because again they do not have White House clearance to lie on balance sheets. TBTF has White House clearance to submit fiction balance sheets. I do not think bail-in will happen at all, because americans are armed. It may happen in EU, even in Canada, but not in USA. Just my view. It all depends how much money you want to protect. If you have \$100k, yes you can. If you have \$1 billion, then you have a problem. You can't hide \$1billion electronic dollars.

**holdbuysell**

"If you have \$1 billion, then you have a problem" Yup. As an example, how Gates of MSFT changed when he became a multi billionaire suggests exactly this. It's rather clear he had a 'talking to' on how to 'manage his wealth'. These people can never get out of the status quo, so the 'talking to' educates them on this very reality. And all they can do is speak status quo. In other words, they are irrelevant in the next paradigm.

**ekm1**

Federal Reserve and USD Government are US Dollar black-holes. They don't need dollars. For themselves they simply create them as digits on computers. When Fed buys bonds, it creates dollars. When Fed sells bonds, dollars vanish into Fed blackhole. If you pay IRS taxes with paper cash, IRS simply shreds that money.

<http://www.zerohedge.com/news/2014-10-11/70-trillion-problem-keeping-jamie-dimon-night>

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**Russia FinMin Calls For Shift Away From US Treasuries Into BRIC Bonds, Settlement In Non-Dollar Currencies**

**ekm1**

<http://www.nydailynews.com/new-york/empire-state-building-garners-2-1-billion-bid-article-1.1383574>

(Empire State Building garners \$2.1 billion cash bid by mystery would-be buyer)

Even billionaires want to dump USD or currencies. Why? Simple. Where do you hold billions in cash? If you hold them in a bank, the collapse of the bank will make your billions vanish. The "system" will have to extinguish \$10 to 20 trillion. Issue is: Whose trillions? Otherwise the world abandons USD. USD avoidance has accelerated.

In my view those who refuse their trillions to be extinguished in peace, will simply be shot dead by Saudis, Russians, Chinese etc. History never ever changes. Elite kills elite over real assets. The Putin-Khamenei Axis is

advancing too fast now fearing that Obama might not stay in power until Jan 2017. Barack Obama existence as president is their strongest hope.

**ekm1**

PUTIN - KHAMENEI ALLIANCE is in a hurry, too much hurry. Something is going on. Obama just offered Khamenei to only disconnect pipes into the centrifuges, not dismantle them. Military is in open revolt followed and reported openly by the media and DXY is getting stronger, which means NY Fed is draining dollars, assuming DXY still represents REAL TRADE. The "system" is about to break, NOT just monetarily. Shots could be fired and I pray God I'm wrong.

**eXMachina**

Can you please explain your theory in greater detail? Genuinely interested in understanding what you mean by this.

**ekm1**

Military Complex + Saudis on one side (represented by Koch Bros as oligarch), they want USD.

Bank lobby + Iran on the other side (represented by Warren Buffett as oligarch), they want SDRs

Buffett wants oil control and wants to cooperate with Iran. Koch has and Military Complex want to maintain alliance with Saudis for oil control. We are going to have blood being shed I very much fear. I think Military complex could bypass oligarchs and go junta like in the 70s. Warren Buffett and his minion Obama, offered to Khamenei yesterday to just disconnect the pipes to centrifuges, not dismantle them. Which means this is getting worse and worse because Buffett wants oil control and be a bank also with SDRs. War between Saudis and Iran is becoming inevitable, which means everybody gets involved, of course, unless Military goes junta behind the scenes and threatens everybody shot if no obedience. Saudis can easily execute anybody. This is my scenario.

**ekm1**

We are definitely living in a time that is not that great to be rich with lots of cash in the bank. Your money may vanish abruptly. Be careful

**Goldhamster**

Ekm - you live in a different - maybe somewhat paranoid - world. But at least your stuff - sometimes - is entertaining.

**Winston Churchill**

He has the basic factions correct, its what he extrapolates from there, thats the problem.

**ekm1**

I foresee Military Junta back into power in the coming months, after they ceded power voluntarily in the early 90s after soviet union fell. Quite possible they will renege any alliance with any oligarch or lobby for sometime until Iran issue is put to bed. They will never accept a deal with Iran. Quds Force has blood of US soldiers in their hands. Bloodshed will occur, I very much fear. Iran is about to capture Yemen also, now. They have Baghdad, Damascus. Now Sanaa. Recipe for major blood.

**holdbuysell**

ekm1, If I get your thesis (do correct):

ockefeller vs. Rothschild

Rockefeller = MIC

Obama = Rothschild

Strong dollar = MIC

SDR = Rothschild

SDR = Weak dollar

**ekm1**

Replace Rothchilds with Warren Buffett and Bill Gates. Replaces Rockefellers with Koch Bros and Sheldon Adelson. Nobody cares about dead people. Rockefellers and Rothchilds are dead. They can't rule from the graves. We live in Warren Buffett and Koch Bros times. However, the way it is going, Military Complex may even bypass the oligarchs and reinstate a junta, like the 60s and 70s. This is my view.

**disabledvet**

Ask Warren Buffett how trying to corner the market in treasuries worked out....Russia FinMin Calls For Shift Away From US Treasuries Into BRIC Bonds, Settlement In Non-Dollar Currencies

**Quaderratic Probing**

China does not want the money back. They bought bonds to get rid of it. The US pays interest only. When the bond matures most countries do not redeem the face value they roll it over into new bonds. If the bond is sold before the due date the new owner gets the interest payment. Anyone buying these bonds has to be so big they are simply looking for a vehicle to remove USD bills from their economy and they will roll them over too. Either way US makes interest payment. The flow of USD from commodity sales has slowed and Russia is finding itself short of USD to buy commodities it does not have. They had to sell bonds to raise cash. You will notice for all the sanctions Russia has not said we no longer take USD for our oil...they can't. Sanctions are designed to worsen Russian cash flows and are.

**ekm1**

Buffett wants oil control and not lose money on derivatives. He is totally naked on derivatives. Rates are low so Buffett survives. Not for long, not for long in my view. Real blood may be shed. Saudis.....

**Quaderratic Probing**

The Fed does not have to cover bonds that China sells. They have a % paid and face value. To sell them they push them onto the market say a 1 million dollar bond at 3%. A buyer would pay them 1 million and take the bond away. (not accounting for time into the bond or math related to current % on new bonds). If they push too many out at once buyers would offer less for the bond this causes losses to the seller and higher effective % for the buyer. Oh ya and they the sellers would be holding 1.6 trillion in good old USD. That will teach us.

**Quaderratic Probing**

Canadas federal debt just touched 600 billion. If China wanted switch away from USD they could take all the USD profit they make from Manufacturing world wide and convert it to CAD as they did this the CAD would rise to the point no one could afford anything made in Canada. Great for Canadians they would be able to take this inflated paycheck and buy more international stuff but they would be unemployed. Our oil would be too expensive for even China to want. Put any other country in for Canada and the same problem happens.

America flushes trillions out into the world buying things Bonds is how it comes back. No one is big enough to absorb the trade imbalance. China can't convert this money into Yuan either or they would inflate their economy to the breaking point. USD bonds has been the solution to the trade balance. The fact that the rates are so low is what scares them as even small increases in yield will hurt the face value of existing bonds. They are looking for new ways to stash profits avoiding this bigger issue. If China converts all profits not just in USD into gold they would bleed the life out of all their customers ending the game. China does not have a money problem they have a people problem 20 million new workers every year. Within 3 years if they can't keep finding work they would have 60 million young banging at their door.



<http://www.zerohedge.com/news/2014-09-20/russia-finmin-calls-shift-away-us-treasurys-bric-bonds-settlement-non-dollar-currenc?page=1>

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## "Game Over For Aussie Coal" As China Levies Tariffs After 10-Year Hiatus

ekm1

So, China is refusing energy imports. Wow, wow, wow. Clear sign they want to reduce industrial output even further. They no longer want to ship real goods to the Western World and get paid with.....(wait for it) ....digital dollars. Say bye-bye to Chinese Funded Retirement. Even if retirement age may not be raised, there won't be enough real output for retirees to consume. Back to work, dear westerners, back to work.

**WillyGroper**

What about their employment and or social unrest in what is clearly a global downturn?

ekm1

There has been global downturn since 2003. Social unrest is rampant worldwide and increasingly dangerous in USA now. Eventually people will have to go back to work to eat

**Jack Burton**

"crushing Australian (the biggest shipper of coal to China) dreams of a commodity-based renaissance." "It is game over for Australian coal." This is a kick in the balls for Australian fantasy as ultimate resource supplier to China. Some huge money has gone into investments in coal sector.

<http://www.zerohedge.com/news/2014-10-11/game-over-aussie-coal-china-levies-tariffs-after-10-year-haitus?page=1>

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## BoJ Invisible Hand (Briefly) Rescues Nikkei From Sub-15,000 Plunge (Again)

ekm1

Same thing with Dow and the rest of financial system. As of Dow 6600 low in 2009 here's my estimation:

-2400 accumulated points up from world central banks buying to 9,000

- 2000 accumulated points from buyback to 11,000

Any point from 11k to 17k has basically been NSA intermittently marking digits up by overriding the system in cooperation with NY Fed and Primary Dealers. As I've always said: Dow can literally go to 30k in a month if central commands deems it necessary. They will simply tell NSA ty type up digits on computers and baaaaam you have Dow 30k. Conclusion: Up to 11k, Dow is human and is the absolute top it can make sense. Any point above 11k if pure fiction. Hence world opting out of the system.

<http://www.zerohedge.com/news/2014-10-12/boj-invisible-hand-rescues-nikkei-sub-15000-plunge-again>

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## Saudi Arabia's "Oil-Weapon" Hits Europe

*Days after slashing prices in Asia, Saudi Arabia is now making an aggressive push in the European oil market, traders say. The kingdom is taking the unusual step of asking buyers to commit to maximum shipments if they want to get its crude. "The Saudi push is not just in Asia. It's a global phenomenon," one oil trader said. "They are using very aggressive tactics" in Europe too, the trader added.*

## Omen IV

Sure the whole show was to destroy the USSR but in the process the entire USA oil industry went down as well - June 20, 1986 - \$9.62 /Bbl. - i was in the middle of it at that time - lost almost everything including a company that i had built from scratch to \$65 million in sales - was not fun - by the end - 5 years hence even the law firms in Tulsa were going BK.

The breakeven on shale today is higher than in 86' for the plays that were being drilled - there will be massive Bankruptcies - independents and service cos. alike all debt laden if price is sustained below \$70 - for 18 months these guys don't care - who ends up with nothing - they want Russia for Bupkiss!!!!!! \$100 Trillion in undeveloped acreage for everything under the sun - Putin has little debt left compared to USSR at that time and lower overhead - and knew this all was coming - the people of Russia know if they don't chin the bar - it is serfdom and death at the hands of those who control USA and Israel. TTIP and the same in Europe is not going to go thru for control by corporations and end to Sovereign states - so they have to do an extreme move - this is going to be the last roundup. bet the Farm!

## NYPoke

Not losing control. Cutting Crude Prices, prior to the U.S. Elections, to pay off Obama/D.C. We help with ISIS & the Gas Pipeline; they cut prices to give the Dems a break in the Elections...or so it seems. Backroom deal.

## ekm1

Remember when I said in May 2013 that QE3 will lead to world halting exports and world trade? Here you have it.

Still think there will be QE forever? Yes, if you want to end up using horses again for transport and send 200k soldiers to Middle East rather than 10-20k now to be accompanied by a margin call and destruction of bank lobby. There are no solutions. Best human crowds can choose is the lesser evil. Individuals can choose good over evil, crowds cannot. Crowds can choose only the lesser evil.

## ekm1

And remember:

There is only one alliance that matters: Pentagon + Saudi

All else secondary. And please do not give me that excrement called: "But who funds the military"? Answer: Military doesn't need any funding. It simply goes and gets it by force or via alliances.

## ekm1

Lecture by EKM1:

Funding = Goods, services provided

Money = Representation of the transactions of providing goods and services on a piece of paper or a computer.

Conclusion: Military doesn't need bank lobby for any funding. It simply goes and gets it. It needs bank lobby to simply allocate the booty they bring in. It is Military which hires bank lobby, not vice versa.

End of Lecture

## post turtle saver

- Iran: shelves nuke program to lift embargo, but economy utterly ruined, can't pump oil out of the ground fast enough to get much needed cash

- Libya: infrastructure destroyed three years ago, economy utterly ruined, everything is repaired now and they can't pump oil out of the ground fast enough to get much needed cash
- Japan: re-opens all its nuke plants in June 2014, Japanese demand for oil & gas drops like a girl's panties on prom night
- US: fracking boom yields a glut of condensates that can be mixed with Alberta heavy crude to provide necessary blending for cheap stock at US refiners; demand for imported oil (specifically, light crude) in the US drops 50% from 2005 import levels (50... fucking... percent... people)
- Iraq: in non-ISIS areas where the majority of the oil lives, all pumps are on line and they can't pump it out of the ground fast enough to get much needed cash
- Germany / China / Japan: industrial output on the skids, don't need to make shit if no one is buying it, which means they don't need to buy energy to make shit, demand goes \*poof\*
- Saudi Arabia: certainly the largest producer in OPEC, needs to pump oil and turn it into cash to keep the radical element in its population appeased, has no incentive to drop production and every incentive to pump as much as it can.
- Brent: big demand drop in Eurozone (see above) coupled with the end of the ICE shennanigans means that index is going down, hard... the \$115 peak will look like a fairy tale once the bear market takes hold
- Russia: what else can be said here, guess who else needs to pump like no tomorrow to get cash... the savior was supposed to be the Chinese market, guess what just went \*poof\* (see above). The end result of this is a world awash in oil that is looking for a buyer... aggressive drops in the index prices should come as no surprise... it's a consumer's market now and, if global growth estimates are any indication, probably will be for at least the next couple of years.

## **holdbuysell**

This is the strongest confirmation of a global slowdown to date, as it has the scent of The House of Saud getting desperate.

## **Jack Burton**

Canadian Tar Sands mines and the investors must be pissing themselves over this! You do know cost of production of black tar mixed with sand, the mining and processing, not to mention costs of waste water treatment and containment. Canada has pinned the future of it's economy on mega tar sands production. Saudi Arabia trying to kill Russian oil revenues? Well, can Saudi back up their prices with production in the long term? America and Saudi Arabia are playing a funny game. America at war with ISIS, while ISIS is funded with Saudi money.

## **Jack Burton**

Okay, "A world awash in cheap oil". Let's see, how long are the legs of that little play? Seriously, a glut of oil, when people are mining tar and fracking at huge costs versus output, and you tell me cheap oil is here to stay? Then, how long do you frack and mine tar, when Saudi is pumping oil cheap? Basic oil markets say, "this is not what it seems". I remain sceptical of "cheap oil glut". It does not add up.

## **post turtle saver**

No one said cheap oil was here to stay, but it sure as hell is here now and will be for enough time for people to notice it this should play out over 2 to 4 years, depending on how long it takes demand to recover... right now, the demand simply isn't there. the June peaks in Brent and WTI were just that... peaks... anyone who knew what's what has already unloaded their futures contracts onto the bagholders. y'all need to stop being emotional when it comes to dealing with a fungible commodity whose known reserves can change frequently given how many people are looking for more of it all the time... you may as well try to nail jell-o to a tree. what does it mean for shale plays? we shall see... they were pulling it out of

the ground before we saw \$100+ WTI and Brent indexes, they'll keep doing it until they can't do it anymore or there's no buyer, or both.

I leave this gem for all of you... what is "peak oil"? it's a combo of reaching peak extraction during peak demand, with a resulting supply/demand gap... which leads to "peak oil price". digging deeper, why do prices peak? is it just the gap? no, there's another component that people miss... price manipulation so, what has really been "peaking" over the past decade or so? I submit it's been peak bullshit... just because you're manipulating the supply chain that's the main artery of Europe to gouge people, using a production index that only accounts for 10% of world production (\*cough\* Brent \*cough\*) doesn't mean that the stuff isn't in the ground to be had... let's not confuse one for the other.

<http://www.zerohedge.com/news/2014-10-12/saudi-arabias-oil-weapon-hits-europe>

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Aug 30, 2014

## **The Economics Of Perpetual War**

**ekm1**

The title is pure insanity. There is no such thing as 'economics of perpetual war'. Perpetual war to gain access to food, water, commodities and energy is simply world history irrefutably proven by 4000 years of documented history. Whenever nation A will lack food or water, it will simply attack nation B to get them. It's that simple.

**economics9698**

Ekm1 there is this thing called trade where you can get the other guys stuff without killing them.

**ekm1**

No you can't. That "trade" is made possible by US military guaranteeing USD as world currency and an electronic network between banks, again defended by NSA

demoses

Errr NO... USD was not around for 4k+ years. It is more like I make something you need and you have something I need -> trade. USD is no magic piece of paper that grants you every wish. Soon it will be only good for starting a fire...

**ekm1**

potato, potatoh

**economics9698**

The 1815 - 1914 gold standard seem to work good for trade.

**ekm1**

Yes, because the winners of wars prospered

[http://en.wikipedia.org/wiki/List\\_of\\_wars\\_1800%E2%80%931999](http://en.wikipedia.org/wiki/List_of_wars_1800%E2%80%931999)

**CrazyCooter**

Siding with ekm1 on this one. Not sure why he is getting so many down votes for pointing out the obvious. Folks, humans are dirty little critters who use any means necessary (trade) war, (kinetic) war, (currency) war, in addition to the threats thereof, to secure the Earths limited resources for themselves and their own.

**pFXTim**

> potato, potatoh

very persuasive...I'm convinced.

**ekm1**

It is not my intention to persuade anybody. Everybody on ZH pontificates, hence I pontificate also

**DavidC**

ekm1, Countries and nations were trading long before the US became hegemonic. In an emotionally mature society it would be possible. Unfortunately because human psychology incorporates the extremes (such as psychopathy) it isn't possible in the real world without one country eventually wanting war with another. That's history.

**ekm1**

potato, potatoh

**we2late**

"Whenever nation A will lack food or water, it will simply attack nation B to get them. It's that simple." - ekm1

No ekm1, you are that simple. There are alternatives called "trade" or "domestic investment". There is a possibility of nation B attacking nation A for reasons other than food or water (Somalia?) There is a possibility of nation A acquiescing to takeover by nation B. "There is no such thing as 'economics of perpetual war'. Perpetual war to gain access to food, water, commodities and energy is simply world history..." -ekm1 "Simply" does ekm1 falsely contend that "food, water, commodities, and energy" have nothing to do with economics. So much for the "pure insanity" believed real by ekm1.

**ekm1**

Nirvana seeking does not bring food on the table

**reset71**

I have to agree with what most of ekm1 is saying. Being a peacenik solves nothing. At the end of the day, "good" people with guns is the only thing that keeps "bad" people with guns from killing you and taking all your stuff...

**ebworthen**

\$7.5 Million per day in Iraq air operations, \$500 Million since June. Raytheon and the rest of the M.I.C. is popping champagne corks.

**ekm1**

Peanuts for MIC. Bank lobby just got \$4 trillion and still flowing

<http://www.zerohedge.com/news/2014-08-30/economics-perpetual-war>

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**Additional links:**

<http://www.golemxxiv.co.uk/2014/09/next-crisis-part-one/> (read part 2 and 3 as well)

Central Banks Trading & Manipulating Markets

<http://www.barnhardt.biz/2014/08/30/big-fat-told-ya-so-central-banks-trading-manipulating-all-markets/>

Stan fisher's bail in plan

<http://www.barnhardt.biz/2014/08/28/the-gone-concern-buffer-aka-seizing-your-bank-deposits/>

So about your brokerage account (FDIC SIPC Fraud)

<http://market-ticker.org/akcs-www?post=229401>

Japan at transformative moment (125 yen) Kyle Bass

<http://video.cnbc.com/gallery/?video=3000313346>

Dam breaks in Europe as deflation fears wash over ECB rhetoric

<http://telegraph.co.uk/finance/economics/11154553/Dam-breaks-in-Europe-as-deflation-fears-wash-over-ECB-rhetoric.html>